

STATEMENT OF BASIS (AI No. 117138)

for the draft Notice of Intent to Terminate Louisiana Pollutant Discharge Elimination System permit No. LA0119377.

THE APPLICANT IS: Azimuth Energy, LLC
LL&E #'s 1, 2, & 3 City of New Orleans #1 - Couba Island Field
511 16th Street, Suite 300
Denver, CO 80202

ISSUING OFFICE: Louisiana Department of Environmental Quality (LDEQ)
Office of Environmental Services
Post Office Box 4313
Baton Rouge, Louisiana 70821-4313

PREPARED BY: Jenniffer Sheppard
Water and Waste Permits Division
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DATE PREPARED: March 15, 2006

1. PERMIT STATUS

A. Reason For Permit Action:

Notice of Intent to Terminate a Louisiana Pollutant Discharge Elimination System (LPDES) permit, issued for a 5-year term.

B. LPDES permit - LPDES permit effective date: June 1, 2004
LPDES permit expiration date: May 31, 2009

C. Date Notice of Intent to Terminate Received: January 9, 2006

2. FACILITY INFORMATION

A. FACILITY TYPE/ACTIVITY - oil and gas exploration, development, and production operations

Azimuth Energy, LLC - LL&E Nos. 1, 2, 3 & City of New Orleans No. 1 Production Barge is an oil and gas exploration, development, and production facility.

B. FEE RATE

1. Fee Rating Facility Type: Minor
2. SIC code: 1311

C. LOCATION - Couba Island Field, approximately 6.1 miles southwest of Marrero, Louisiana, Jefferson Parish Latitude 29°48'46.8", Longitude 90°10'1.6"

3. REASON FOR TERMINATION

This facility's well was drilled in August of 2004 and determined to be a dry hole. Company correspondence indicated that there were no future plans to drill other wells or discharge wastewater under this permit.